

Message Text

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ORIGIN AID-05

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IO:RMOREY(DRAFT)
EB/IFD:AADAMS(DRAFT)

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FM SECSTATE WASHDC
TO AMEMBASSY TOKYO IMMEDIATE

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E.O. 11652: N/A

TAGS:

SUBJECT:

PLEASE PASS TO SENATOR PERCY FROM A.I.D. ADMINISTRATOR
PARKER.

1. SECRETARY GENERAL WALDHEIM HAS NOW INDICATED THAT HE
HAS IN HAND CONTRIBUTIONS TO THE INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT FROM OPEC COUNTRIES TOTALING
DOLS. 435 MILLION. WITH CONTRIBUTIONS FROM THE DEVELOPED
COUNTRIES, INCLUDING DOLS. 200 MILLION FROM THE UNITED
STATES, TARGET OF ONE BILLION DOLLARS HAS BEEN REACHED.
THERE IS GREAT PRESSURE AT UN TO MAKE IMMEDIATE ANNOUNCE-
MENT THAT IFAD GOAL HAS BEEN REACHED AND ONE BILLION
DOLLARS IS NOW AVAILABLE TO POOR COUNTRIES FOR AGRICUL-
TURAL DEVELOPMENT. PROBLEM IS THAT SECTION 103 OF THE
FOREIGN ASSISTANCE ACT WHICH AUTHORIZED THE U.S.
CONTRIBUTION CONTAINS THE FOLLOWING LANGUAGE:

QUOTE (F) NO FUNDS MAY BE OBLIGATED TO CARRY OUT SUB-
SECTION (E) UNLESS--(1) SATISFACTORY AGREEMENT IS REACHED
ON THE ARTICLES OF AGREEMENT FOR THE INTERNATIONAL FUND
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FOR AGRICULTURAL DEVELOPMENT;

(2) SUCH ARTICLES OF AGREEMENT ARE REVIEWED AND APPROVED BY THE SENATE COMMITTEE ON FOREIGN RELATIONS AND THE HOUSE COMMITTEE ON INTERNATIONAL RELATIONS;
(3) ALL DONOR COMMITMENTS TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT TOTAL AT LEAST DOLS. 1,000,000,000 EQUIVALENT IN CONVERTIBLE CURRENCIES, EXCEPT THAT THE UNITED STATES CONTRIBUTION SHALL BE PROPORTIONALLY REDUCED IF THIS COMBINED GOAL IS NOT MET; AND
(4) THERE IS EQUITABLE BURDEN SHARING AMONG THE DIFFERENT CATEGORIES OF CONTRIBUTORS. UNQUOTE

2. U.S. IS THEREFORE UNABLE TO REMOVE CONDITIONS FROM PLEDGE UNTIL SENATE FOREIGN RELATIONS COMMITTEE AND HOUSE INTERNATIONAL RELATIONS COMMITTEE INDICATE INTENTION TO APPROVE ARTICLES OF AGREEMENT. THE FOLLOWING MEMORANDUM HAS BEEN SENT TO YOU BY SENATOR SPARKMAN:

QUOTE SECTION 103(F)(2) OF THE FOREIGN ASSISTANCE ACT OF 1961 REQUIRES THAT THE COMMITTEE ON FOREIGN RELATIONS AND THE HOUSE COMMITTEE ON INTERNATIONAL RELATIONS REVIEW AND APPROVE THE ARTICLES OF AGREEMENT OF THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD) BEFORE THE U.S. GOVERNMENT CAN OBLIGATE MONEY TO IFAD. MR. DANIEL PARKER, ADMINISTRATOR OF AID, HAS REQUESTED THE COMMITTEE'S PROMPT CONSIDERATION OF THE ARTICLES OF AGREEMENT OF IFAD. A STAFF MEMORANDUM ON IFAD, THE TEXT OF THE ARTICLES OF AGREEMENT AND MR. PARKER'S LETTER ARE ATTACHED.

QUOTE APPROVAL OF THE ARTICLES OF AGREEMENT WITHOUT A MEETING OF THE FOREIGN RELATIONS COMMITTEE WOULD BE A HIGHLY UNUSUAL PROCEDURE. NEVERTHELESS, AT THE REQUEST OF SEVERAL MEMBERS OF THE COMMITTEE I AM TRYING TO DETERMINE THROUGH THIS PROCESS WHETHER THE COMMITTEE IS PREPARED TO CONSIDER THE ARTICLES OF AGREEMENT ON AN URGENT BASIS. IF THE COMMITTEE AGREES TO CONSIDER THE ARTICLES, AND IF A MAJORITY OF THE COMMITTEE APPROVES, THEN I WILL INFORM MR. PARKER THAT THE COMMITTEE HAS APPROVED THE ARTICLES OF AGREEMENT OF IFAD PURSUANT TO UNCLASSIFIED

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SECTION 103 OF THE FOREIGN ASSISTANCE ACT.

QUOTE THE RULES OF THE HOUSE OF REPRESENTATIVES PREVENT THE COMMITTEE ON INTERNATIONAL RELATIONS FROM COMPLETING ITS APPROVAL PROCESS WITHOUT A MEETING OF THAT COMMITTEE. ALTHOUGH SUCH A MEETING WILL NOT TAKE PLACE UNTIL THE CONGRESS RECONVENES, THE HOUSE COMMITTEE IS IN THE PROCESS OF DETERMINING WHETHER A MAJORITY OF ITS MEMBERS

INTEND TO APPROVE THE ARTICLES OF AGREEMENT AT THAT TIME.

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QUOTE IF A MAJORITY OF THE HOUSE COMMITTEE WILL INDICATE INTENT TO APPROVE, AND IF A MAJORITY OF THE FOREIGN RELATIONS COMMITTEE GIVES INFORMAL APPROVAL, AID BELIEVES THAT IT HAS THE AUTHORITY TO SIGN BUT NOT TO RATIFY THE ARTICLES OF AGREEMENT. U.S. FUNDS COULD NOT BE OBLIGATED UNTIL THE U.S. RATIFIES THE AGREEMENT.

QUOTE MEMBERS OF THE COMMITTEE STAFF WILL CONTACT YOUR OFFICES TO DETERMINE WHETHER YOU ARE PREPARED TO CONSIDER AND APPROVE THE ARTICLES OF AGREEMENT TO IFAD. UNQUOTE

3. AS YOU KNOW IT IS EXTREMELY IMPORTANT IN OUR RELATIONS WITH THIRD WORLD AND OPEC COUNTRIES THAT WE LIFT CONDITIONS ON WHICH OUR PLEDGE WAS MADE. HEROIC EFFORTS HAVE RESULTED IN INCREASING ORIGINAL OPEC PLEDGES FROM DOLS. 400 TO DOLS. 435 MILLION. OTHER DEVELOPED COUNTRIES ARE WILLING TO INTERPRET OPECT CONTRIBUTION OF DOLS 435 MILLION AS EQUITABLE BURDEN SHARING. DELAY IN U.S. ACTION MAY RESULT IN UNDUE CRITICISM OF UNITED STATES FOR UNWILLINGNESS TO REMOVE OUR CONDITIONS AT THIS TIME.

4. SENATOR HUMPHREY TOLD ME TODAY THAT SENATORS SPARKMAN, CASE, CLARK AND MCGOVERN HAVE ALREADY INDICATED THEIR APPROVAL. SENATOR MCGOVERN HAS ALSO INFORMED ROY MOREY THAT THIS PROPOSAL HAS THE SUPPORT OF SENATOR GRIFFIN. IT WOULD BE EXTREMELY HELPFUL TO HAVE WORD FROM THE COMMITTEE ON DECEMBER 16 SINCE THE CURRENT UNCLASSIFIED

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MEETING OF THE IFAD PREPARATORY COMMISSION IN ROME ENDS ON THAT DATE AND THE SECRETARY GENERAL HOPES TO BE ABLE TO ANNOUNCE THE ARTICLES OF AGREEMENT ARE OPEN FOR SIGNATURE SO THAT THE FUND CAN BE ESTABLISHED BEFORE THE PREPARATORY COMMISSION DISBANDS.

5. SCOTT COHEN AGREES THAT THE COMMITTEE SHOULD GIVE INFORMAL APPROVAL. PLEASE CABLE FOREIGN RELATIONS COMMITTEE AS SOON AS POSSIBLE YOUR AGREEMENT OR DISAGREEMENT. KISSINGER

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